However, minus the oil-fired plant, the price of power from the remaining plants -- which includes two barge-mount units -- was lower or even with the average power cost of the PDB.

On an average, the price of IPP power stands at Tk 2.4 per kilowatt hour. A World Bank study in 2001 pointed out that load-shedding of that time robbed the nation of half a percent of GDP. In other words, the price of not having the electricity is much higher than the price paid to the IPPs.

Finally, in 2005, the government started realizing that all was not well in the power sector. Though such realization should have put the highest emphasis on undertaking the right projects through a fair process, the government continued to allow the vested interest groups to dominate decisions.

This becomes evident from the late 2005 bid to award as many as 45 skid-mount and barge-mount power projects in 45 areas of the country. This was a mindless plan that came out of the PMO -- not the PDB or the power ministry -- as skid or barge-mount plants are costlier, and setting up 45 plants require setting up 45 costly power and gas interconnections at the plant sites.

The actual objective of this scheme was awarding projects to different 4-party alliance MPs and party loyalists -- not to address the country's power problem. But this scheme crash-landed in the same way the crash program of 2000 fell flat under severe donor objection. Ultimately, the government settled for awarding only three projects totaling 150 mw capacity -- all of which went to party loyalists, not genuine power builders. These projects are still pending with the power ministry.

While the government miserably failed in power generation sector due to corruption, it however opted for another wrong decision to expand rural electrification network under the REB at an unbelievable pace. This move was driven partially by the greed of electricity pole sellers, and partially by ruling party MPs trying to impress their constituency without giving actual substance.

As a result, REB's power demand in four years grew to 2000 mw -- which is double its 2001 demand. The 2001 consumer base of 1.5 crore increased to 3 crore. Against such a high demand, the government could supply only 500 mw power -- making rural consumers so angry that there had been unrest in the northern region, specially in Kansat. The unrest in Kansat left many dead, and such an incident clearly tells us how wrong the government had been in pursuing its power policy.

With load-shedding level reaching an unbelievable 2,000 mw plus in early 2006, public anger against the government's handling of the power scenario led the government to change the state minister for power. In reality, the state minister for power actually did not make any decisions as the vested interest lobby had made the PMO the supreme authority in the affairs of the power sector. Such a conflict of executive powers failed to add anything positive to the power sector. The new state minister for power tried to exert his power, over-riding the PMO directives, but this only brought him into major conflict with the upper tier of the government.

The presence of the vested interest quarter, or the alternative powerhouse of the government, in executive decisions is also evident from the fact that in four years the government changed eight chairmen in PDB, and eight secretaries in the power ministry.

Almost all the competent experts of PDB and the Power Cell, including those who had acquired negotiation skills from the past IPPs, have left their jobs or lost their appropriate desks. They have been replaced by incompetent and inappropriate men with the mandate to tamper bids by finding out loopholes or gray areas in the policy, rules, and regulations so that projects can be awarded to incompetent parties.

The power sector chronicle of 1996 to 2006 period clearly shows that corruption has been the key reason for the 2001 government's failure in the power sector, and transparency was the key reason for the 1996 government's success in the same area.

Failure Case Study I:
Tongi 80 mw

The Tongi 80 mw peaking power project of the PDB was awarded to Chinese company Harbin at a cost of Tk 360 crore. Harbin had no past experience of designing and installing power plants on its own. It was selected by questionably shelving a lower bid offer of Indian company Bhel. Harbin's local agent admitted, to this writer, paying bribe to a section of PDB and power ministry officials, and a "handsome bribe" to the alternative powerhouse for getting this deal.

The plant tripped a total of more than 80 rounds between May 2005 and June 2006. Of this, builder's fault is attributed to 45 rounds of shutdowns for 2231 hours. The prime minister inaugurated its commercial operation on September 3, 2005 and the plant had tripped within a few hours.

How Tk 10 lakh bribe can lead to Tk 175 crore project cost hike

The history of the Tongi project tender itself is a prime example of corruption. The first tender for Tongi project was floated in 2000 and a Malaysian company TNB was selected as the lowest bidder. TNB asked for a price of around Tk 185 crores ($31.5 million), which is almost half of the Tk 360 crore cost taken by Harbin.

When the TNB was negotiating the project, a senior assistant secretary of the power ministry asked for Tk 10 lakh bribe. The company was taken aback, and it wrote a letter to the government saying that it could not provide such amount of money. TNB also said that every time its executives came to Bangladesh they had to bring expensive gifts for officials.

Despite submission of such an official letter nobody was punished. When TNB refused to bribe, the power ministry started stalling the project. At one point, the Malaysian company's bid validity expired on June 30, 2001. The tender fell flat. The second tender was floated immediately after the new government came to power. But it fell flat for unknown reasons.